

EXHIBIT A

5% Simple vs. 5% Compound Discounting
\$1,000,000 at 40 years

<u>Year</u>	<u>Annual Amount</u>	<u>5% Simple</u>	<u>PV</u>	<u>5% Compound</u>	<u>PV</u>
2013	\$25,000.00	1.05	\$23,809.52	1.05	\$23,809.52
2014	\$25,000.00	1.10	\$22,727.27	1.10	\$22,675.74
2015	\$25,000.00	1.15	\$21,739.13	1.16	\$21,483.20
2016	\$25,000.00	1.20	\$20,833.33	1.22	\$20,491.80
2017	\$25,000.00	1.25	\$20,000.00	1.28	\$19,531.25
2018	\$25,000.00	1.30	\$19,230.77	1.34	\$18,656.72
2019	\$25,000.00	1.35	\$18,518.52	1.41	\$17,730.50
2020	\$25,000.00	1.40	\$17,857.14	1.48	\$16,891.89
2021	\$25,000.00	1.45	\$17,241.38	1.55	\$16,129.03
2022	\$25,000.00	1.50	\$16,666.67	1.63	\$15,337.42
2023	\$25,000.00	1.55	\$16,129.03	1.71	\$14,619.88
2024	\$25,000.00	1.60	\$15,625.00	1.80	\$13,888.89
2025	\$25,000.00	1.65	\$15,151.52	1.89	\$13,227.51
2026	\$25,000.00	1.70	\$14,705.88	1.98	\$12,626.26
2027	\$25,000.00	1.75	\$14,285.71	2.08	\$12,019.23
2028	\$25,000.00	1.80	\$13,888.89	2.18	\$11,467.89
2029	\$25,000.00	1.85	\$13,513.51	2.29	\$10,917.03
2030	\$25,000.00	1.90	\$13,157.89	2.41	\$10,373.44
2031	\$25,000.00	1.95	\$12,820.51	2.53	\$9,881.42
2032	\$25,000.00	2.00	\$12,500.00	2.65	\$9,433.96
2033	\$25,000.00	2.05	\$12,195.12	2.79	\$8,960.57
2034	\$25,000.00	2.10	\$11,904.76	2.93	\$8,532.42
2035	\$25,000.00	2.15	\$11,627.91	3.07	\$8,143.32
2036	\$25,000.00	2.20	\$11,363.64	3.23	\$7,739.94
2037	\$25,000.00	2.25	\$11,111.11	3.39	\$7,374.63
2038	\$25,000.00	2.30	\$10,869.57	3.56	\$7,022.47
2039	\$25,000.00	2.35	\$10,638.30	3.73	\$6,702.41
2040	\$25,000.00	2.40	\$10,416.67	3.92	\$6,377.55
2041	\$25,000.00	2.45	\$10,204.08	4.12	\$6,067.96
2042	\$25,000.00	2.50	\$10,000.00	4.23	\$5,910.17
2043	\$25,000.00	2.55	\$9,803.92	4.54	\$5,506.61
2044	\$25,000.00	2.60	\$9,615.38	4.76	\$5,252.10
2045	\$25,000.00	2.65	\$9,433.96	5.00	\$5,000.00
2046	\$25,000.00	2.70	\$9,259.26	5.25	\$4,761.90
2047	\$25,000.00	2.75	\$9,090.91	5.52	\$4,528.99
2048	\$25,000.00	2.80	\$8,928.57	5.79	\$4,317.79
2049	\$25,000.00	2.85	\$8,771.93	6.08	\$4,111.84
2050	\$25,000.00	2.90	\$8,620.69	6.39	\$3,912.36
2051	\$25,000.00	2.95	\$8,474.58	6.70	\$3,731.34
2052	\$25,000.00	3.00	\$8,333.33	7.04	\$3,551.14

40 years \$1,000,000.00

\$541,065.38

\$428,698.13

5% Simple vs. 5% Compound Discounting
\$750,000.00 at 20 years

<u>Year</u>	<u>Annual Amount</u>	<u>5% Simple</u>	<u>PV</u>	<u>5% Compound</u>	<u>PV</u>
2013	\$37,500.00	1.05	\$35,714.29	1.05	\$35,714.29
2014	\$37,500.00	1.10	\$34,090.91	1.10	\$34,013.61
2015	\$37,500.00	1.15	\$32,608.70	1.16	\$32,224.80
2016	\$37,500.00	1.20	\$31,250.00	1.22	\$30,737.70
2017	\$37,500.00	1.25	\$30,000.00	1.28	\$29,296.88
2018	\$37,500.00	1.30	\$28,846.15	1.34	\$27,985.07
2019	\$37,500.00	1.35	\$27,777.78	1.41	\$26,595.74
2020	\$37,500.00	1.40	\$26,785.71	1.48	\$25,337.84
2021	\$37,500.00	1.45	\$25,862.07	1.55	\$24,193.55
2022	\$37,500.00	1.50	\$25,000.00	1.63	\$23,006.13
2023	\$37,500.00	1.55	\$24,193.55	1.71	\$21,929.82
2024	\$37,500.00	1.60	\$23,437.50	1.80	\$20,833.33
2025	\$37,500.00	1.65	\$22,727.27	1.89	\$19,841.27
2026	\$37,500.00	1.70	\$22,058.82	1.98	\$18,939.39
2027	\$37,500.00	1.75	\$21,428.57	2.08	\$18,028.85
2028	\$37,500.00	1.80	\$20,833.33	2.18	\$17,201.83
2029	\$37,500.00	1.85	\$20,270.27	2.29	\$16,375.55
2030	\$37,500.00	1.90	\$19,736.84	2.41	\$15,560.17
2031	\$37,500.00	1.95	\$19,230.77	2.53	\$14,822.13
2032	\$37,500.00	2.00	\$18,750.00	2.65	\$14,150.94
20 years	\$750,000.00		\$510,602.54		\$466,788.90

EXHIBIT B

Ex B. Goethel/Engelhardt Analysis of SB1115

Medical Malpractice demographics in Michigan

Number of malpractice cases filed in Michigan 2010

808 medical malpractice cases filed

Since 2002 a 47% decrease in filings

Source: SCAO Annual report, 2010

Health care encounters in Michigan 2010

1,296,000 hospitalizations

2,306,000 procedures performed in short stay hospitalizations. They include

36,576 C-sections

18,699 Hysterectomies

27,854 Laminectomies (back surgery)

52,578 Spinal fusions (another form of back surgery)

15,463 Coronary bypass operations

12,486 Gall bladder removals (Cholecystectomy)

22,305 Hip replacements

Source: State of Michigan (Dept Comm Health)

Medical malpractice case filings as a percentage of health care encounters

0.00062346 of all hospitalizations resulted in the filing of a malpr. case (00.062346%)

0.00035039 of all surgeries/procedures resulted in a case being filed (00.035039%)

Payments on medical medical malpractice claims (2011)

\$181,198 Average payment made per case in Michigan

\$334,559 Average payment made per case in the U.S.

Source: Kaiser Foundation